

FINANCIAL STATEMENTS
TOWNSHIP OF STANTON, MICHIGAN
Year Ended March 31, 2008

Auditing Procedures Report

Instructions and MuniCodes

*—Required Fields

Reset Form

Issued under Public Act 2 of 1968, as amended. (V1.07)

Unit Name* TOWNSHIP OF STANTON	County* HOUGHTON	Type* TOWNSHIP	MuniCode* 31-1-130
Opinion Date-Use Calendar* Aug 22, 2008	Audit Submitted-Use Calendar* Sep 26, 2008	Fiscal Year End Month* 03	Fiscal Year* 2008

a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer No."

- ☒ ☐ 1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
- ☒ ☐ 2. Does the local unit have a positive fund balance in all of its unreserved fund balances/unrestricted net assets?
- ☒ ☐ 3. Were the local unit's actual expenditures within the amounts authorized in the budget?
- ☒ ☐ 4. Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?
- ☒ ☐ 5. Did the local unit adopt a budget for all required funds?
- ☒ ☐ 6. Was a public hearing on the budget held in accordance with State statute?
- ☒ ☐ 7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
- ☒ ☐ 8. Has the local unit distributed tax revenues that were collected for another taxing unit timely as required by the general property tax act?
- ☒ ☐ 9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
- ☒ ☐ 10. Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Units of Government in Michigan, as revised (see Appendix H of Bulletin)?
- ☒ ☐ 11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
- ☒ ☐ 12. Is the local unit free of repeated reported deficiencies from previous years?
- ☒ ☐ 13. Is the audit opinion unqualified? 14. If not, what type of opinion is it? NA
- ☒ ☐ 15. Has the local unit complied with GASB 34 and other generally accepted accounting principles (GAAP)?
- ☒ ☐ 16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
- ☒ ☐ 17. To your knowledge, were the bank reconciliations that were reviewed performed timely?
- ☒ ☐ 18. Are there reported deficiencies? ☒ 19. If so, was it attached to the audit report?

General Fund Revenue:	<input type="checkbox"/> \$ 210,477.00
General Fund Expenditure:	<input type="checkbox"/> \$ 175,835.00
Major Fund Deficit Amount:	\$ 0.00

General Fund Balance:	<input type="checkbox"/> \$ 350,392.00
Governmental Activities Long-Term Debt (see instructions):	<input type="checkbox"/> \$ 13,813.00

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (reported deviations).

PA (First Name)* MICHAEL	Last Name* JUTILA	Ten Digit License Number* 1101024074		
PA Street Address* PO BOX 341	City* DOLLAR BAY	State* MI	Zip Code* 49922	Telephone* +1 (906) 482-2358
PA Firm Name* JUTILA JORGENSON & AS	Unit's Street Address* PO BOX 175	Unit's City* HOUGHTON	Unit's Zip* 49931	

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Jutila, Jorgenson and Associates, P.C.
P.O. Box 175
Houghton, Michigan 49931
August 22, 2008

Township Board
Township of Stanton
Houghton, Michigan 49931

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the TOWNSHIP OF STANTON, MICHIGAN as of March 31, 2008 and for the year then ended, which collectively comprise the Township's basis financial statements as listed in the table of contents. These financial statements are the responsibility of the TOWNSHIP OF STANTON'S management. Our responsibility is to express an opinion on these financial statements based on our audit.

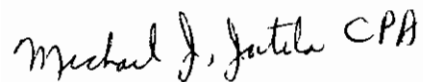
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the statements applicable to financial audits contained in the Government Auditing Standards, used by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities, the business-type activities and each major fund of the TOWNSHIP OF STANTON at March 31, 2008 and the results of its operations and respective changes in financial position and the cash flows, where applicable for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis as listed in the table of contents is not a required part of basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with Government Auditing Standards, we have also issued a report dated August 22, 2008, on our consideration of the TOWNSHIP OF STANTON, MICHIGAN'S internal control structure and its compliance with laws and regulations, grant agreements and other matters.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental financial information listed in the table of contents is presented for purposes of additional analyses and is not a required part of the financial statements of the TOWNSHIP OF STANTON, MICHIGAN. The information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

A handwritten signature in black ink that reads "Michael J. Jutila CPA". The signature is written in a cursive, flowing style.

Michael J. Jutila
Certified Public Accountant
Jutila, Jorgenson & Associates, P.C.

Jutila, Jorgenson and Associates, P.C.
P.O. Box 175
Houghton, Michigan 49931
August 22, 2008

Township Board
Township of Stanton
Houghton, Michigan 49931

Independent Auditor's Report on Compliance and Other Matters and on Internal Control Over
Financial Reporting Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards

We have audited the financial statements of the TOWNSHIP OF STANTON, MICHIGAN as of and for the year ended March 31, 2008 and have issued our report thereon dated August 22, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the TOWNSHIP OF STANTON, MICHIGAN'S financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Governmental Auditing Standards

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the TOWNSHIP OF STANTON, MICHIGAN'S internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. We consider the deficiencies described in the schedule of findings and responses to be significant deficiencies in internal control over financial reporting. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. This report is intended

for the information of the Township Board, management, federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specific parties.

Respectfully Submitted,

A handwritten signature in black ink that reads "Michael J. Jutala CPA". The signature is written in a cursive style with a clear "CPA" at the end.

Michael J. Jutala
Certified Public Accountant
Jutala, Jorgenson & Associates, P.C.

TOWNSHIP OF STANTON, MICHIGAN

Management's Discussion and Analysis FY 2007-2008

The management, Board and Finance Committee members of the Township of Stanton present this overview and analysis of the finances of the Township of Stanton for the fiscal year ended March 31, 2008. It is presented for the broad purpose of providing additional information and insight into the financial statements and activities of the Township of Stanton and should be read in conjunction with the financial statements and the notes to the financial statements.

Financial Highlights

- **General Fund revenue:** Overall general fund revenue was up from the previous fiscal year by \$16,735.
- **Fire Department purchases:** \$31,564 for gear and additional equipment. This was accomplished with Federal grants totaling \$30,696 and expenditure from Fire surplus funds.
- **Capital Outlay:** Improvements amounting to approximately \$27,498 were made to the boat launch, and township parks and buildings. This money came from surplus funds in the General Fund. \$265,790 of new roads were constructed.
- **Freida Waste Disposal Project:** The Township received \$37,000 of loan proceeds and a 348,000 Federal Grant in fiscal year ending March 31, 2008. The project has been completed.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Township of Stanton statements. The Township of Stanton's basic financial statements comprise three components: 1) government-wide statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Township of Stanton finances, in a manner similar to a private-sector to a private-sector business.

The *statement of net assets* presents information on all of the Township of Stanton assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets have changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related*

cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Township of Stanton that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Township of Stanton include public safety, public works, recreation and culture and general administrative services. The business-type activities of the Township of Stanton include sewer services.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township of Stanton, like other state or local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the Township of Stanton can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and change in the fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Township of Stanton maintains 3 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and change in the fund balances for the General Fund, Road Fund, and Fire Fund which are considered to be major funds.

The Township adopts an annual appropriated budget for its general fund and special revenue funds. A budgetary comparison statement had been provided for the general fund and the other major funds to demonstrate compliance with this budget.

Proprietary funds. The Township of Stanton maintains one proprietary fund. Enterprise funds are used to report the same functions presents as *business type activities* in the government-wide financial statements. The Township uses an enterprise fund to account for its sewer activity.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources are *not* available to support the Township's own

programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Township maintains one fiduciary fund, the tax collection agency fund.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Township's activities.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Township of Stanton, assets exceeded liabilities by \$1,598,681 at the close of the most recent fiscal year. A significant portion of the Township's net assets (64 percent) reflects its investment in capital assets (e.g. land, buildings, machinery, infrastructure, and equipment), less any related debt used to acquire those assets that are still outstanding. The Township used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Township's Net Assets

	Governmental Activities	Business-Type Activities	Total
Current and Other Assets	\$ 572,210	\$ 21,867	\$ 594,077
Capital Assets	695,352	465,361	1,160,713
Total Assets	1,267,562	487,228	1,754,790
Long-term Liabilities	5,602	121,000	126,602
Other Liabilities	28,296	1,211	29,507
Total Liabilities	33,898	122,211	156,109
Net Assets:			
Invested in Capital Assets			
Net of Related Debt	681,539	349,000	1,030,539
Restricted for Debt Services	-	1,650	1,650
Unrestricted	552,125	14,367	566,492
Total Net Assets	1,233,664	365,017	1,598,681

Unrestricted net assets (\$566,492) may be used to meet Township's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Township is able to report positive balance in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Financial Analysis of the Township's Funds

As noted earlier, the Township used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Township's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Township's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a Township's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$519,668.

The general fund is the chief operating fund of the Township. At the end of the current fiscal year, the total fund balance was \$350,392.

The fund balance of the Township's general fund increased by \$34,642 during the current fiscal year.

Proprietary funds. The Township's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of Sewer fund at the end of the year amounted to \$14,367.

General Fund budgetary highlights

Differences between the original budget and the final amended budget were immaterial.

Capital Asset and Debt Administration

Capital Assets. The Township's investments in the capital assets for its governmental and business type activities as of March 31, 2008, amount to \$1,160,713 (*net of accumulated depreciation*). This investment in capital assets includes: land, buildings and system improvements, machinery and equipment, park facilities, etc.

Details of the Township's capital assets are in the notes to the financial statements.

Long-term debt. At the end of the current fiscal year, the Township had total installment debt outstanding of \$135,813. Of this amount, \$13,813 comprises debt backed by the full faith and credit of the government and \$122,000 represents bonds secured by specified revenue sources.

Additional information on the Township's long-term debt can be found in the notes to the financial statements.

Economic Factors and Next Year's Budget and Rates

The unemployment rate is still high in the State of Michigan and the State's shortfall in the budget may mean further reductions in the state-shared revenues. State shared revenues are expected to remain even or decrease in the 2008-2009 fiscal year. The Township budgeted for

a decrease in state-shared revenue. This factor was considered in preparing the Township's budget for the 2008-2009 fiscal years.

Requests for Information

This financial report is designed to provide a general overview of the Township of Stanton's finances for all those with an interest in the Township's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Township's Clerk Office:

John Botto, Township Clerk
Township of Stanton
14010 Limingo Road
Atlantic Mine, Mi 49905
(906)482-8319

TOWNSHIP OF STANTON, MICHIGAN
Statement of Net Assets
As of March 31, 2008

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 539,753	\$ 50	\$ 539,803
Receivables	32,457	2,340	34,797
Restricted cash	-	9,477	9,477
Capital assets:			
Land	203	19,849	20,052
Other capital assets, net of depreciation	695,149	445,512	1,140,661
Total capital assets	<u>\$ 695,352</u>	<u>\$ 465,361</u>	<u>\$ 1,160,713</u>
Total assets	<u>\$ 1,267,562</u>	<u>\$ 477,228</u>	<u>\$ 1,744,790</u>
Liabilities			
Accounts payable and accrued expenses	\$ 10,085	\$ 211	\$ 10,296
Internal balances	10,000	(10,000)	-
Long-term liabilities:			
Due within one year	8,211	1,000	9,211
Due in more than one year	5,602	121,000	126,602
Total Liabilities	<u>\$ 33,898</u>	<u>\$ 112,211</u>	<u>\$ 146,109</u>
Net Assets			
Invested in capital asset, net of related debt	\$ 681,539	\$ 349,000	\$ 1,030,539
Restricted for debt service	-	1,650	1,650
Unrestricted	552,125	14,367	566,492
Total Net Assets	<u><u>\$ 1,233,664</u></u>	<u><u>\$ 365,017</u></u>	<u><u>\$ 1,598,681</u></u>

** The accompanying notes to financial statements are an integral part of this statement

Township of Stanton, Michigan
Statement of Activities
Year Ended March 31, 2008

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Charges for	Operating	Capital		Governmental	Business-Type	Total
	Expenses	Services	Contributions	Contributions	Activities	Activities	
Functions/Programs							
Primary Government:							
Governmental activities:							
General Government	\$ 128,910	\$ 1,200	\$ -	\$ -	\$ (127,710)	\$ -	\$ (127,710)
Public Safety	79,735	4,992	-	30,696	(44,047)	-	(44,047)
Public Works	3,819	-	-	-	(3,819)	-	(3,819)
Culture and Recreation	25,484	5,350	-	-	(20,134)	-	(20,134)
Other	696	-	-	-	(696)	-	(696)
Interest on long-term debt	664	-	-	-	(664)	-	(664)
Total governmental activities	\$ 239,308	\$ 11,542	\$ -	\$ 30,696	\$ (197,070)	\$ -	\$ (197,070)
Business-type activities:							
Sewer	\$ 14,703	\$ 13,260	\$ -	\$ 348,000	-	\$ 346,557	\$ 346,557
Total business-type activities	\$ 14,703	\$ 13,260	\$ -	\$ 348,000	-	\$ 346,557	\$ 346,557
Total government	\$ 254,011	\$ 24,802	\$ -	\$ 378,696	\$ (197,070)	\$ -	\$ 197,070
General Revenues:							
Taxes:							
Property taxes, levied for general purpose					\$ 216,043	\$ -	\$ 216,043
Grants and contributions not restricted to specific programs					105,045	-	105,045
Unrestricted investment earnings					22,423	322	22,745
Miscellaneous					24,762	-	24,762
Transfers					5,269	(5,269)	-
Total general revenues, special items, and transfers					\$ 373,542	\$ (4,947)	\$ 368,595
Change in net assets					\$ 176,472	\$ 341,610	\$ 518,082
Net assets, beginning					1,057,192	23,407	1,080,599
Net assets, ending					\$ 1,233,664	\$ 365,017	\$ 1,598,681

** The accompanying notes to financial statements are an integral part of this statement

TOWNSHIP OF STANTON, MICHIGAN
Governmental Funds
Balance Sheet
YEAR ENDED MARCH 31, 2008

	<u>General Fund</u>	<u>Road Fund</u>	<u>Fire Fund</u>
<u>ASSETS</u>			
Cash	\$ 368,085	\$ 96,848	\$ 74,820
Receivables (net of allowance for doubtful accounts):			
Taxes	9,657	2,299	2,433
Due from other funds	4,429	6,627	7,012
Due from other governmental units	-	-	-
<i>Total Assets</i>	<u>\$382,171</u>	<u>\$105,774</u>	<u>\$84,265</u>
<u>LIABILITIES</u>			
Accounts payable and accrued expenses	\$ 7,693	\$ -	\$ 2,392
Due to other funds	10,000	-	-
Deferred revenue	14,086	8,926	9,445
<i>Total Liabilities</i>	<u>\$31,779</u>	<u>\$8,926</u>	<u>\$11,837</u>
<u>FUND EQUITY</u>			
Fund Balance:			
Unreserved	\$ 350,392	\$ 96,848	\$ 72,428
<i>Total Fund Equity</i>	<u>\$ 350,392</u>	<u>\$ 96,848</u>	<u>\$ 72,428</u>
	<u>\$382,171</u>	<u>\$105,774</u>	<u>\$84,265</u>

** The accompanying notes to financial statements are an integral part of this statement

TOWNSHIP OF STANTON, MICHIGAN
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balance
YEAR ENDED MARCH 31, 2008

	Governmental Fund Types		
	General Fund	Road Fund	Fire Fund
Revenues:			
Taxes	\$ 63,391	\$ 70,848	\$ 76,019
Licenses and permits	2,487	-	-
Federal grants	-	-	30,696
State grants	100,003	5,042	-
Interest and rents	15,771	6,132	520
Charges for services	6,550	-	4,992
Other revenue	22,275	-	-
<i>Total Revenue</i>	<u>\$ 210,477</u>	<u>\$ 82,022</u>	<u>\$ 112,227</u>
Expenditures:			
Legislative	\$ 29,965	\$ -	\$ -
General government	103,135	-	-
Public safety	4,214	-	75,183
Public works	24	267,053	-
Recreation and culture	38,497	-	-
Other expenditures	-	-	36,677
<i>Total Expenditures</i>	<u>\$ 175,835</u>	<u>\$ 267,053</u>	<u>\$ 111,860</u>
<i>EXCESS OF REVENUES (EXPENDITURES)</i>	<u>\$ 34,642</u>	<u>\$ (185,031)</u>	<u>\$ 367</u>
Other financing sources (uses):			
Loan proceeds	\$ -	\$ -	\$ -
Operating transfers from other funds	-	5,269	-
Operating transfers to other funds	-	-	-
<i>TOTAL OTHER FINANCING SOURCES (USES)</i>	<u>\$ -</u>	<u>\$ 5,269</u>	<u>\$ -</u>
<i>NET CHANGE IN FUND BALANCE</i>	<u>\$ 34,642</u>	<u>\$ (179,762)</u>	<u>\$ 367</u>
Fund Balance Beginning of Year	315,750	276,610	72,061
Fund Balance End of Year	<u>\$ 350,392</u>	<u>\$ 96,848</u>	<u>\$ 72,428</u>

** The accompanying notes to financial statements are an integral part of this statement

TOWNSHIP OF STANTON
Reconciliation of Fund Balances on the Balance Sheet
for Governmental Funds to Net Assets
Governmental Activities on the Statement of Net Assets
March 31, 2008

Fund - balances - total governmental funds	\$ 519,668
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Amounts reported for governmental activities in the statement of
net assets are different because:

Capital assets used in governmental activities are not financial resources
and therefore are not reported in the funds.

Add- capital assets, net	695,352
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Certain taxes are not recognized as revenue in the governmental funds
because they are not available to pay correct year expenditures

Add- deferred revenue	32,457
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Certain Liabilities, such as bonds payable, are not due and payable in the
current period and therefore are not reported in the funds.

Deduct- loans payable	<u>(13,813)</u>
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Net Assets of governmental activities	<u><u>\$ 1,233,664</u></u>
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** The accompanying notes to financial statements are an integral part of this statement

TOWNSHIP OF STANTON
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balance of Governmental Funds
To the Statement of Activities
FOR THE YEAR ENDED MARCH 31, 2008

Net change in fund balances - total governmental funds	\$ (144,753)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Add- capital assets	327,749
---------------------	---------

Deduct- depreciation expense	(47,626)
------------------------------	----------

Certain taxes are not recognized as revenue in the governmental funds because they are not available to pay current year expenditures.

Add - increase in deferred revenue	5,785
------------------------------------	-------

Loan proceeds are revenue in the governmental funds but are recorded as a liability in the statement of net assets	-
--	---

Repayment of loan principal is an expenditure in the government funds but is recorded as a reduction of a liability in the statement of net assets	35,317
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Change in net assets of governmental activities	<u>\$ 176,472</u>
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** The accompanying notes to financial statements are an integral part of this statement

**TOWNSHIP OF STANTON
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
AS OF MARCH 31, 2008**

	<u>Enterprise Fund</u> <u>Sewer</u>
Assets	
Current Assets:	
Cash	\$ 50
Accounts Receivable	2,340
Due from General Fund	10,000
Total Current Assets	<u>\$ 12,390</u>
Capital Assets	
Sewer Project - Including \$19,849 of land	\$ 471,000
Less: Accumulated Depreciation	5,639
Net Capital Assets	<u>\$ 465,361</u>
Other Assets	
Restricted Cash	\$ 9,477
Total Assets	<u>\$ 487,228</u>
Liabilities	
Current Liabilities:	
Accounts Payable	\$ 211
Current Maturity on Long Term Debt	1,000
Total Current Liabilities	<u>\$ 1,211</u>
Long Term Liabilities	
Notes Payable	\$ 122,000
Less: Current Maturity	(1,000)
Total Long Term Liabilities	<u>121,000</u>
Total Liabilities	<u>\$ 122,211</u>
Net Assets	
Invested in capital assets, net of related debt	\$ 349,000
Restricted for debt service	1,650
Unrestricted	14,367
Total Net Assets	<u>\$ 365,017</u>

** The accompanying notes to financial statements are an integral part of this statement

TOWNSHIP OF STANTON
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED MARCH 31, 2008

	Enterprise Fund
	Sewer
Operating Revenue	
Charges for services	\$ 13,260
Total Operating Revenue	\$ 13,260
Operating Expenses	
Contracted Services	\$ 2,064
Utilities	2,146
Office	527
Miscellaneous	366
Depreciation	5,639
Total Operating Expenses	\$ 10,742
Net Income From Operations	\$ 2,518
Non-Operating Revenues:	
Interest Income	\$ 322
Interest Expense	(3,961)
Total non operating income (expense)	(3,639)
Income (Loss) before contributions and transfers	\$ (1,121)
Capital Contribution	348,000
Transfers out	(5,269)
Change in net assets	\$ 341,610
Net assets - beginning	23,407
Net assets - ending	\$ 365,017

** The accompanying notes to financial statements are an integral part of this statement

**TOWNSHIP OF STANTON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED MARCH 31, 2008**

	Enterprise Fund Sewer
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 10,920
Cash payments to suppliers for goods and services	(4,892)
Cash payments to restricted cash accounts	(191)
Internal activity-payments to other funds	(10,000)
	<u>(4,163)</u>
NET CASH PROVIDED BY OPERATING EXPENSES	<u>\$ (4,163)</u>
CASH FLOWS FROM NON - CAPITAL FINANCING ACTIVITIES	
Transfer in	\$ -
Transfer out	(5,269)
	<u>(5,269)</u>
NET CASH PROVIDED (USED) BY NON - CAPITAL FINANCING ACTIVITIES	<u>\$ (5,269)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from federal grants	\$ 348,000
Proceeds from long-term debt	37,000
Acquisition of capital assets	(385,782)
Principal paid on long-term debt	(1,000)
Interest paid on long-term debt	(3,961)
	<u>(5,743)</u>
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>\$ (5,743)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	\$ 322
	<u>322</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVLENTS	<u>\$ (14,853)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>14,903</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 50</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Operating income (loss)	\$ 2,518
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Deprecitation	5,639
Change in assets and liabilities:	
Accounts recieveable	(2,340)
Restricted cash	(191)
Due from other funds	(10,000)
Accounts payable	211
Due to other funds	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ (4,163)</u>

** The accompanying notes to financial statements are an intergral part of this statement

TOWNSHIP OF STANTON
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
FOR YEAR ENDED MARCH 31, 2008

	<u>Trust and Agency</u>
<u>ASSETS</u>	
Cash in bank	\$ 57,958
Total Assets	<u>\$ 57,958</u>
 <u>LIABILITIES</u>	
Due to other funds	\$ 9,161
Due to others	48,797
Total Liabilities	<u>\$ 57,958</u>

** The accompanying notes to financial statements are an integral part of this statement

TOWNSHIP OF STANTON, MICHIGAN
Notes to Financial Statements
YEAR ENDED MARCH 31, 2008

NOTE A – THE FINANCIAL REPORTING ENTITY

The Township of Stanton, Michigan, is located in Houghton County Michigan. The Township operates under an elected Township Board of five (5) members and provides services, assistance and care to its residents.

NOTE B – SIGNIFICANT ACCOUNTING POLICIES

The Township complies with Generally Accepted Accounting Principles (GAAP). The Township's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from the business-type activities which rely to a significant extent on fees and charges for support. The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the governmental-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

The Proprietary fund is accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

The various funds are grouped in the financial statements into four generic fund types and two broad fund categories as follows:

Governmental Funds

General Fund

The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments of major capital projects) that are legally restricted to expenditures for specified purposes.

Agency Fund

The Agency Fund is custodial in nature and does not present results of operations or have a measurement focus. This fund is used to account for assets that the Township holds for others in an agency capacity.

Proprietary Funds

Enterprise Funds

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

CASH

Deposits are carried at cost. Deposits are in two financial institutions in the name of the Township of Stanton, Michigan.

SURPLUS FUNDS

Michigan Compiled Laws, Section 129.91, authorizes the Local Unit to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loan association; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government of Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications with mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

The investment policy as required by Act 196 PA 1997 has been adopted by the board. The Township's deposits and investments are in accordance with statutory authority. All of the Township's surplus funds are in bank savings accounts and certificates of deposit.

The Governmental Accounting Standards Board (GASB) Statement No.3 and GASB Statement No. 40 risk disclosures for deposits at year-end are as follows:

	Carrying Amount
Total Deposits	<u>\$ 607,138</u>

	Bank Balance
Total Deposits	<u>\$ 608,581</u>

At year-end, the carrying amount of the Township's deposits was \$607,138 and the balance per bank was \$608,581. Of the bank balance, approximated 33% was covered by federal depositary insurance according to FDIC regulations.

ACCOUNTS RECEIVABLE

Accounts receivable in the government-wide Statement of Net Assets, included \$9,161 due from the Fiduciary Fund.

INVENTORY

Inventories are not significant and have not been recognized in any of the funds.

Capital Assets – Capital assets, which include property, equipment, and infrastructure assets (roads, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$500 and an estimated

useful life in excess of one year. Such assets are recorded at cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Before March 1, 2004, infrastructure assets were not capitalized. Infrastructure assets acquired since March 1, 2004 are recorded at cost.

Property and equipment is being depreciated using the straight-line method over the following estimated useful lives:

Buildings	20 to 40 Years
Land Improvements	20 Years
Infrastructure	40 Years
Vehicles	5 to 20 Years
Equipment	5 to 10 Years

Capital asset activity for the year ended March 31, 2008, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 203	\$ -	\$ -	\$ 203
Other capital assets				
Land Improvements	\$ 15,907	\$ 14,067	\$ -	\$ 29,974
Buildings and Improvements	167,724	5,776	-	173,500
Infrastructure	90,437	271,695	-	362,132
Equipment and Vehicles	417,564	36,211	-	453,775
Total capital assets being depreciated	<u>\$ 691,632</u>	<u>\$ 327,749</u>	<u>\$ -</u>	<u>\$ 1,019,381</u>
Less accumulated depreciation				
Land Improvement	\$ (1,095)	\$ (537)	\$ -	\$ (1,632)
Building and Improvement	(84,727)	(3,944)	-	(88,671)
Infrastructure	(6,598)	(9,053)	-	(15,651)
Equipment and Vehicles	(184,186)	(34,092)	-	(218,278)
Total accumulated depreciation	<u>\$ (276,606)</u>	<u>\$ (47,626)</u>	<u>\$ -</u>	<u>\$ (324,232)</u>
Governmental activities, capital assets, net	<u>\$ 415,229</u>	<u>\$ 280,123</u>	<u>\$ -</u>	<u>\$ 695,352</u>
Business-type activities				
Capital assets not being depreciated				
Land	\$ 19,849	\$ -	\$ -	\$ 19,849
Other capital assets				
Sewer System- Engineering, Legal and Administrative fees	<u>\$ 73,590</u>	<u>\$ 377,561</u>	<u>\$ -</u>	<u>\$ 451,151</u>
Less accumulated depreciation				
Sewer System- Engineering, Legal and Administrative fees	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-type activities, capital assets, net	<u>\$ 93,439</u>	<u>\$ 377,561</u>	<u>\$ -</u>	<u>\$ 471,000</u>
Depreciation expense was charged to programs as follows:				
Governmental Activities				
Legislative	\$ 379			
General Government	4,682			
Public Safety	31,902			
Recreation	2,532			
Public Works	8,131			
Total Governmental Activities	<u>\$ 47,626</u>			
Business-type activities				
Sewer	<u>\$ 5,639</u>			

ACCRUED EMPLOYEE PAID TIME OFF

The Township does not allow employees to accumulate unused vacation or sick leave.

INTERFUND LOANS

Interfund loans receivable (reported in "Due from" asset accounts) are considered "available spendable resources."

PENSION PLAN

The Township has a defined contribution retirement plan covering all elected officials. The Township's contribution for all funds amounted \$4,374 for the year ended March 31, 2008. The funds vest immediately. The premium due under the policy, which is paid totally by the Township, is based on the elected official's income level. No actuarial information is available for the plan.

USE OF ESTIMATES IN FINANCIAL STATEMENTS

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE C – LONG-TERM DEBT

In July of 2004, the Township borrowed \$40,485 from the bank to purchase a fire truck and equipment. The Township also borrowed \$34,515 to purchase a fire station. Repayment on both loans began on April 1, 2005 and continued annually until April 1, 2007. Both loans have been repaid as of March 31, 2008.

In June of 2005, the Township borrowed \$42,000 from the bank to help purchase a Hurricane Pumper truck. The loan is being repaid with monthly payments of \$945 that began July 2005 and will end June 2009. The applicable interest rate is 3.80%

The Township received a loan totaling \$123,000 from Rural Development to construct a sewer disposal system. Repayment began on July 1, 2007 and will continue semi-annually through January 1, 2047. The applicable interest rate is 4.125%

The individual long-term debt and other general long-term obligations of the Township of Stanton and the changes therein, may be summarized as follows:

	Balance March 31, 2007	Additions	Deductions	Balance March 31, 2008
Fire Fund				
Equipment	\$ 13,814	\$ -	\$ 13,814	\$ -
Building	\$ 11,777	\$ -	\$ 11,777	\$ -
Equipment	\$ 23,539	\$ -	\$ 9,726	\$ 13,813
Sewer Fund				
Sewer Disposal System	\$ 86,000	\$ 37,000	\$ 1,000	\$ 122,000
Total	\$ 135,130	\$ 37,000	\$ 36,317	\$ 135,813

Maturities on long-term debt are as follows:

Year ending March 31, 2009	\$ 9,211
Year ending March 31, 2010	6,602
Year ending March 31, 2011	1,000
Year ending March 31, 2012	1,000
Year ending March 31, 2013	1,000
Thereafter	117,000
TOTAL	\$ 135,813

NOTE D – OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosure, as part of the General Purpose Financial Statements – Overview, of certain information concerning individual funds including:

Selected financial information for the sewer fund for the year ended March 31, 2008 is presented as follows:

Operating Revenue	\$ 13,260
Operating Expenses	10,742
Depreciation	5,639
Operating Income (Loss)	2,518
Net Income (Loss)	341,610
Fixed Asset Additions	377,561
Net Working Capital	11,179
Total Assets	487,228
Total Equity	365,017

Fiscal year and Budget definition

The Township charter establishes the fiscal year as the twelve-month period beginning April 1. The board's finance committee prepares a draft of the budget, which is then finalized by the full board. After a public hearing is held, the board adopts the budget legally.

Budgeted amounts are as originally adopted or as amended by the Township Board. The budget is on a basis that is consistent with generally accepted accounting principles, thus no reconciliation between the budget basis and GAAP basis is necessary.

In the body of the financial statements, the Township's original and final budgeted and actual expenditures have been shown on a functional basis. The approved budgeted of the Township for the budgetary funds were adopted to the functional level.

Excess Township expenditures

During the year ended February 28, 2008, the Township did not incur expenditures that were in excess of the amounts appropriated in any budgeted fund.

Deficit fund balances

Deficit fund balances or retained earnings balances of individual funds. There were no funds which had deficit fund balances or retained earnings balance as of March 31, 2008.

Interfund Receivables

The amount of Interfund receivables and payables at March 31, 2008 are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
General	\$ 4,429	Trust and Agency	\$ 4,429
<i>Subtotal</i>	<u>\$ 4,429</u>	<i>Subtotal</i>	<u>\$ 4,429</u>
Road	\$ 2,299	Trust and Agency	\$ 2,299
<i>Subtotal</i>	<u>\$ 2,299</u>	<i>Subtotal</i>	<u>\$ 2,299</u>
Fire	\$ 2,433	Trust and Agency	\$ 2,433
<i>Subtotal</i>	<u>\$ 2,433</u>	<i>Subtotal</i>	<u>\$ 2,433</u>
Sewer	\$ 10,000	General	\$ 10,000
<i>Subtotal</i>	<u>\$ 10,000</u>	<i>Subtotal</i>	<u>\$ 10,000</u>
<i>Total</i>	<u>\$ 19,161</u>	<i>Total</i>	<u>\$ 19,161</u>

NOTE E – PROPERTY TAX

Property taxes are levied twice a year. The taxes are collected by the local units of government within the Township and periodically remitted to other governmental entities during the collection period. It is Houghton County's policy, through its Internal Service 100% Tax Payment Fund, to purchase delinquent real property taxes and special assessments each year to afford 100% collection of the current levy to Stanton Township

The tax rate to finance general government services for the year ended March 31, 2008 was 1.22840 per \$1000 of assessed valuation. The present taxable valuation is \$35,784,784.

NOTE F – RISK MANAGEMENT

The Township of Stanton is exposed to various risks of loss related to torts; theft of, damage to; and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the last three years.

NOTE G – SEWAGE DISPOSAL SYSTEM

The Township constructed a sewage disposal system for the Freida area. The costs of the project total \$471,000 and are financed by a \$123,000 bond and a \$348,000 grant.

Required Supplemental Financial Information

TOWNSHIP OF STANTON
GENERAL FUND
Statement of Revenues, Expenditures and Fund Balances
BUDGET AND ACTUAL
Year Ended March 31, 2008

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Taxes	\$ 56,200	\$ 56,200	\$ 63,391	\$ 7,191
Licenses and permits	600	600	2,487	1,887
State grants	101,500	101,500	100,003	(1,497)
Charges for services	13,700	13,700	6,550	(7,150)
Interest	2,500	2,500	15,771	13,271
Other revenue	2,000	2,000	22,275	20,275
Total Revenues	<u>\$ 176,500</u>	<u>\$ 176,500</u>	<u>\$ 210,477</u>	<u>\$ 33,977</u>
Expenditures:				
Legislative	\$ 30,040	\$ 30,040	\$ 29,965	\$ 75
General government	123,300	123,300	103,135	20,165
Public safety	11,100	11,100	4,214	6,886
Public works	-	-	24	(24)
Recreation and culture	44,150	44,650	38,497	6,153
Total Expenditures	<u>\$ 208,590</u>	<u>\$ 209,090</u>	<u>\$ 175,835</u>	<u>\$ 33,255</u>
Excess of Revenues (Expenditures)	<u>\$ (32,090)</u>	<u>\$ (32,590)</u>	<u>\$ 34,642</u>	<u>\$ 67,232</u>
Other financing sources:				
Operating transfers from other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess of revenues and other sources (Expenditures and other uses)	<u>\$ (32,090)</u>	<u>\$ (32,590)</u>	<u>\$ 34,642</u>	<u>\$ 67,232</u>
Fund balance beginning of year			<u>315,750</u>	
Fund balance end of year			<u>\$ 350,392</u>	

TOWNSHIP OF STANTON
ROAD FUND
Statement of Revenues, Expenditures and Fund Balances
BUDGET AND ACTUAL
Year Ended March 31, 2008

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Current levy	\$ 72,000	\$ 72,000	\$ 64,912	\$ (7,088)
Delinquent taxes	-	-	5,936	5,936
State shared revenue	6,000	6,000	5,042	(958)
Interest income	7,000	7,000	6,132	(868)
Total Revenues	<u>\$ 85,000</u>	<u>\$ 85,000</u>	<u>\$ 82,022</u>	<u>\$ (2,978)</u>
Expenditures:				
Public Works	\$ 276,300	\$ 276,300	\$ 267,053	\$ 9,247
Total Expenditures	<u>\$ 276,300</u>	<u>\$ 276,300</u>	<u>\$ 267,053</u>	<u>\$ 9,247</u>
Excess of Revenues (Expenditures)	<u>\$ (191,300)</u>	<u>\$ (191,300)</u>	<u>\$ (185,031)</u>	<u>\$ 6,269</u>
Other financing sources				
Operating transfers in	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,269</u>	<u>\$ 5,269</u>
Excess of Revenues and Other sources (Expenditures and other uses)	<u>\$ (191,300)</u>	<u>\$ (191,300)</u>	<u>\$ (179,762)</u>	<u>\$ 11,538</u>
Fund Balance beginning of year			<u>276,610</u>	
Fund Balance end of year			<u>\$ 96,848</u>	

**TOWNSHIP OF STANTON
FIRE FUND
Statement of Revenues, Expenditures and Fund Balances
BUDGET AND ACTUAL
Year Ended March 31, 2008**

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Current levy	\$ 70,600	\$ 70,600	\$ 70,323	\$ (277)
Delinquent taxes	-	-	5,696	5,696
Charges for services	6,100	6,100	4,992	(1,108)
Federal grants	32,900	32,900	30,696	(2,204)
State grants	-	-	-	-
Interest income	300	300	520	220
Miscellaneous	-	-	-	-
Total Revenues	<u>\$ 109,900</u>	<u>\$ 109,900</u>	<u>\$ 112,227</u>	<u>\$ 2,327</u>
Expenditures:				
Public Safety	\$ 97,200	\$ 97,200	\$ 75,183	\$ 22,017
Debt Services	37,700	37,700	36,677	1,023
Total Expenditures	<u>\$ 134,900</u>	<u>\$ 134,900</u>	<u>\$ 111,860</u>	<u>\$ 23,040</u>
Excess of Revenues (Expenditures)	<u>\$ (25,000)</u>	<u>\$ (25,000)</u>	<u>\$ 367</u>	<u>\$ 25,367</u>
Fund Balance beginning of year			<u>72,061</u>	
Fund Balance end of year			<u>\$ 72,428</u>	

Other Supplemental Information

**TOWNSHIP OF STANTON
GENERAL FUND
DETAIL OF REVENUES
FOR YEAR ENDED MARCH 31, 2008**

General Property Taxes	
Operating tax levy	\$ 43,765
Delinquent tax collection and interest	4,113
Payments in Lieu of Taxes/ other tax payments	3,889
Administrative fees and collections	11,624
Total general property tax	<u>\$ 63,391</u>
License and Permits	<u>\$ 2,487</u>
Intergovernmental Revenue	
State shared taxes	\$ 93,503
State grants	6,500
Total intergovernmental revenue	<u>\$ 100,003</u>
Charges for Services	
Rents	\$ 5,350
Services	1,200
Total charges for services	<u>\$ 6,550</u>
Fines and Forfeits	<u>\$ -</u>
Interest	<u>\$ 15,771</u>
Other Revenue	
Cemetery lots and burials	\$ 3,450
Donations	14,434
Miscellaneous	4,391
Total other revenue	<u>\$ 22,275</u>
Total Revenue	<u>\$ 210,477</u>

**TOWNSHIP OF STANTON
GENERAL FUND
DETAIL OF EXPENDITURES
FOR YEAR ENDED MARCH 31, 2008**

Legislative

Township Board

Personal services, salaries, and wages	
Salaries and wages	\$ 2,825
Employee benefits	9,531
Total Personal Services	<u>\$ 12,356</u>
Capital Outlay	\$ 823
Other current expenditures	
Office supplies	\$ 36
Printing and Publishing	-
Insurance	11,409
Dues and memberships	872
Operating supplies	1,245
Telephone	3,110
Miscellaneous	114
Total other current expenditures	<u>\$ 16,786</u>
Total Legislative	<u><u>\$ 29,965</u></u>

General Government

Supervisor

Personal services, salaries, and wages	
Salaries and wages	\$ 8,200
Other current expenditures	
Travel	640
Telephone	-
Postage	-
Miscellaneous	30
Total other current expenditures	<u>\$ 670</u>
Total Supervisor	<u><u>\$ 8,870</u></u>

Elections

Personal services, salaries, and wages	
Salaries and wages	\$ 3,231
Other current expenditures	
Office Supplies	-
Printing and Publishing	256
Miscellaneous	2,227
Total other current expenditures	<u>\$ 2,483</u>
Total Elections	<u><u>\$ 5,714</u></u>

Legal/Accounting

Personal services, salaries, and wages	
Salaries and wages	\$ -
Other current expenditures	
Contracted services	5,313
Miscellaneous	-
Total other current expenditures	<u>\$ 5,313</u>
Total Legal/Accounting	<u><u>\$ 5,313</u></u>

**TOWNSHIP OF STANTON
GENERAL FUND
DETAIL OF EXPENDITURES
FOR YEAR ENDED MARCH 31, 2008**

Assessor/Equalization

Personal services, salaries, and wages	
Salaries and wages	\$ 29,185
Capital Outlay	-
Other current expenditures	
Contracted Services	1,129
Operating Supplies	-
Dues and memberships	-
Postage	696
Travel	432
Training	1,691
Miscellaneous	150
	<u>\$ 4,098</u>
Total other current expenditures	
Total Assessor/Equalization	<u><u>\$ 33,283</u></u>

Clerk

Personal services, salaries, and wages	
Salaries and wages	\$ 11,148
Capital Outlay	-
Other current expenditures	
Office Supplies	-
Travel	256
Postage	164
Training	90
Miscellaneous	1,382
	<u>\$ 1,892</u>
Total other current expenditures	
Total Clerk	<u><u>\$ 13,040</u></u>

Board of Review

Personal services, salaries, and wages	
Salaries and wages	\$ 1,753
Capital Outlay	-
Other current expenditures	
Travel	-
Printing and Publishing	-
Training	225
Miscellaneous	-
	<u>\$ 225</u>
Total other current expenditures	
Total Board of Review	<u><u>\$ 1,978</u></u>

Treasurer

Personal services, salaries, and wages	
Salaries and wages	\$ 10,538
Capital Outlay	-
Other current expenditures	
Contracted services	3,474
Travel	953
Telephone	-
Postage	1,195
Training	90
Miscellaneous	34
	<u>\$ 5,746</u>
Total other current expenditures	
Total Treasurer	<u><u>\$ 16,284</u></u>

**TOWNSHIP OF STANTON
GENERAL FUND
DETAIL OF EXPENDITURES
FOR YEAR ENDED MARCH 31, 2008**

Township Properties

Personal services, salaries, and wages	
Salaries and wages	\$ 514
Capital Outlay	8,428
Other current expenditures	
Utilities	4,303
Repairs and Maintenance	1,286
Miscellaneous	371
	<u>\$ 5,960</u>
Total other current expenditures	
Total Township Properties	<u><u>\$ 14,902</u></u>

Cemetery

Personal services, salaries, and wages	
Salaries and wages	\$ 3,550
Other current expenditures	
Repairs and Maintenance	178
Miscellaneous	23.00
	<u>\$ 201</u>
Total other current expenditures	
Total Cemetery	<u><u>\$ 3,751</u></u>

Total General Government	<u><u>\$ 103,135</u></u>
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Public Safety

Police Protection

Personal services, salaries, and wages	
Salaries and wages	\$ 714
Other current expenditures	
Travel	-
Miscellaneous	-
	<u>\$ -</u>
Total other current expenditures	
Total Police Protection	<u><u>\$ 714</u></u>

Fire Protection

Contracted services	\$ 3,500
Total Fire Protection	<u><u>\$ 3,500</u></u>

Building Inspector

Personal services, salaries, and wages	
Salaries and wages	\$ -
Other current expenditures	
Travel	-
Training	-
Miscellaneous	-
	<u>\$ -</u>
Total other current expenditures	
Total Building Inspector	<u><u>\$ -</u></u>

Total Public Safety	<u><u>\$ 4,214</u></u>
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**TOWNSHIP OF STANTON
GENERAL FUND
DETAIL OF EXPENDITURES
FOR YEAR ENDED MARCH 31, 2008**

Public Works

Streets and Roads

Personal services, salaries, and wages

Salaries and wages

\$ -

Capital Outlay

-

Other current expenditures

Contracted Services

-

Miscellaneous

24

Total other current expenditures

\$ 24

Total Public Works

\$ 24

Culture and Recreation

Parks and Recreation

Personal services, salaries, and wages

Salaries and wages

\$ 5,480

Capital Outlay

21,144

Other current expenditures

Office Supplies

-

Operating Supplies

1,803

Printing and Publishing

-

Travel

143

Utilities

5,014

Repairs and Maintenance

4,191

Miscellaneous

722

Total other current expenditures

\$ 11,873

Total Culture and Recreation

\$ 38,497

Other Financing users-

Operating transfers out - Other funds

\$ -

Total Expenditures

\$ 175,835

**TOWNSHIP OF STANTON
FIDUCIARY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR YEAR ENDED MARCH 31, 2008**

	Current Tax Collection Account			
	Balance			Balance
	March 31, 2007	Additions	Deductions	March 31, 2008
<u>Assets</u>				
Cash in Bank	\$ 52,179	\$ 1,096,939	\$ 1,091,160	\$ 57,958
Total Assets	<u>\$ 52,179</u>	<u>\$ 1,096,939</u>	<u>\$ 1,091,160</u>	<u>\$ 57,958</u>
<u>Liabilities</u>				
Due to Other funds				
General Fund	\$ 3,323	\$ 61,195	\$ 60,089	\$ 4,429
Fire Fund	2,071	68,771	68,409	2,433
Road Fund	2,147	64,993	64,841	2,299
Due to Schools	-	225,786	225,786	-
Due to County	11,376	558,841	557,892	12,325
Due to CCISD	699	78,758	78,689	768
Due to Others	32,563	38,595	35,454	35,704
Total Liabilities	<u>\$ 52,179</u>	<u>\$ 1,096,939</u>	<u>\$ 1,091,160</u>	<u>\$ 57,958</u>

TOWNSHIP OF STANTON
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended March 31, 2008

2008-1 Preparation of Financial Statements

Criteria: Local Governments are required to prepare financial statements in accordance with generally accepted accounting principles (GAAP). This is a responsibility of Township's management. The preparation of financial statements in accordance with GAAP requires internal controls over both recording, processing, and summarizing accounting data (i.e., maintaining internal books and records), and reporting government-wide financial statements, including related note disclosures.

Condition: The Township is unable to produce financial statements in accordance with accounting principles generally accepted in the United States of America.

Cause: Township personnel lack of knowledge, expertise, and education necessary to prepare GAAP financial statements. Management has decided to allow the auditors to adjust its annual financial statements rather than incur the time and expense of obtaining the necessary training and education needed for township employees to perform these tasks.

Effect: As a result of this condition, the Township of Stanton lacks internal controls over the preparation of the financial statements in accordance with GAAP, and instead relies, in part, on the independent auditors for assistance with the preparation of the financial statements and notes.

Response: Due principally to the small size of the Township and the limited funds available, the hiring of accounting personnel capable of preparing Township's financial statements and footnotes in accordance with GAAP is cost prohibitive.

2008-02 Lack of Segregation of Duties

Criteria: Proper segregation of duties is needed to ensure accurate financial reporting and protection of Township's assets. No employee should perform both custodial and accounting functions.

Condition: Lack of segregation of duties is due to the limited number of accounting personnel.

Cause: The Township does not have the number of personnel available to adequately segregate all incompatible duties.

Effect: As a result of this condition is the possibility that intentional or unintentional errors could be made and not detected.

Response: Due to the small size of the Township and the limited funds available, management is unable to employ the number of personnel needed to adequate separation of duties between custodial functions and record keeping functions. As much as is possible, duties are allocated between personnel to mitigate risk. The Township Board assumes a high level of oversight to mitigate risks associated with the lack of segregation of duties.

Jutila, Jorgenson and Associates, P.C.
P.O. Box 175
Houghton, Michigan 49931

August 22, 2008

To the Board of Trustees
Township of Stanton

We have audited the accompanying financial statements of the governmental activities and each major fund of the Township of Stanton for the year ended March 31, 2008, and have issued our report thereon dated August 22, 2008. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated March 31, 2008, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve the Board or management of its responsibilities.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Township of Stanton are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2008. We noted no transaction entered into by the Township of Stanton during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was capital asset depreciation. Management's estimate of the capital asset depreciation is based on the estimated useful lives of the Township's capital assets. We evaluated the key factors and assumptions used to develop the capital asset depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter associated with the audits for the year ended March 31, 2008.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Township of Stanton's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

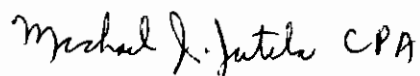
Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

This communication is intended solely for the information and use of the Board of Trustees of the Township of Stanton and is not intended to be and should not be used by anyone other than this specified party.

We would be happy to discuss any of the comments in this report, and would like to thank the officials and employees of the Township for the courtesy and cooperation shown us during our audit.

Respectfully submitted,

A handwritten signature in black ink that reads "Michael J. Jutala CPA". The signature is written in a cursive, flowing style.

Michael J. Jutala
Certified Public Accountant
Jutala, Jorgenson & Associates, P.C.